

Adopted	Rejected
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COMMITTEE REPORT

YES:	8
NO:	2

MR. SPEAKER:

*Your Committee on Local Government, to which was referred House Bill 1701, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 6-1.1-21-2 IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2. As used in this
- 5 chapter:
- 6 (a) "Taxpayer" means a person who is liable for taxes on property
- 7 assessed under this article.
- 8 (b) "Taxes" means property taxes payable in respect to property
- 9 assessed under this article. The term does not include special
- 10 assessments, penalties, or interest, but does include any special charges
- 11 which a county treasurer combines with all other taxes in the
- 12 preparation and delivery of the tax statements required under
- 13 IC 6-1.1-22-8(a).
- 14 (c) "Department" means the department of state revenue.
- 15 (d) "Auditor's abstract" means the annual report prepared by each

1 county auditor which under IC 6-1.1-22-5, is to be filed on or before
2 March 1 of each year with the auditor of state.

3 (e) "Mobile home assessments" means the assessments of mobile
4 homes made under IC 6-1.1-7.

5 (f) "Postabstract adjustments" means adjustments in taxes made
6 subsequent to the filing of an auditor's abstract which change
7 assessments therein or add assessments of omitted property affecting
8 taxes for such assessment year.

9 (g) "Total county tax levy" means the sum of:

10 (1) the remainder of:

11 (A) the aggregate levy of all taxes for all taxing units in a
12 county which are to be paid in the county for a stated
13 assessment year as reflected by the auditor's abstract for the
14 assessment year, adjusted, however, for any postabstract
15 adjustments which change the amount of the aggregate levy;
16 minus

17 (B) the sum of any increases in property tax levies of taxing
18 units of the county that result from appeals described in:

19 (i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after
20 December 31, 1982; plus

21 (ii) the sum of any increases in property tax levies of taxing
22 units of the county that result from any other appeals
23 described in IC 6-1.1-18.5-13 filed after December 31, 1983;
24 plus

25 (iii) IC 6-1.1-18.6-3 (children in need of services and
26 delinquent children who are wards of the county); minus

27 (C) the total amount of property taxes imposed for the stated
28 assessment year by the taxing units of the county under the
29 authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed),
30 IC 12-19-5, or IC 12-20-24; minus

31 (D) the total amount of property taxes to be paid during the
32 stated assessment year that will be used to pay for interest or
33 principal due on debt that:

34 (i) is entered into after December 31, 1983;

35 (ii) is not debt that is issued under IC 5-1-5 to refund debt
36 incurred before January 1, 1984; and

37 (iii) does not constitute debt entered into for the purpose of
38 building, repairing, or altering school buildings for which the

1 requirements of IC 20-5-52 were satisfied prior to January 1,
2 1984; minus
3 (E) the amount of property taxes imposed in the county for the
4 stated assessment year under the authority of IC 21-2-6
5 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
6 cumulative building fund whose property tax rate was initially
7 established or reestablished for a stated assessment year that
8 succeeds the 1983 stated assessment year; minus
9 (F) the remainder of:
10 (i) the total property taxes imposed in the county for the
11 stated assessment year under authority of IC 21-2-6
12 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
13 cumulative building fund whose property tax rate was not
14 initially established or reestablished for a stated assessment
15 year that succeeds the 1983 stated assessment year; minus
16 (ii) the total property taxes imposed in the county for the
17 1984 stated assessment year under the authority of IC 21-2-6
18 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
19 cumulative building fund whose property tax rate was not
20 initially established or reestablished for a stated assessment
21 year that succeeds the 1983 stated assessment year; minus
22 (G) the amount of property taxes imposed in the county for the
23 stated assessment year under:
24 (i) IC 21-2-15 for a capital projects fund; plus
25 (ii) IC 6-1.1-19-10 for a racial balance fund; plus
26 (iii) IC 20-14-13 for a library capital projects fund; plus
27 (iv) IC 20-5-17.5-3 for an art association fund; plus
28 (v) IC 21-2-17 for a special education preschool fund; plus
29 (vi) IC 21-2-11.6 for a referendum tax levy fund; plus
30 (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in
31 a school corporation's maximum permissible general fund
32 levy for certain transfer tuition costs; plus
33 (viii) an appeal filed under IC 6-1.1-19-5.4 for an increase in
34 a school corporation's maximum permissible general fund
35 levy for transportation operating costs; minus
36 (H) the amount of property taxes imposed by a school
37 corporation that is attributable to the passage, after 1983, of a
38 referendum for an excessive tax levy under IC 6-1.1-19,

including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5 or any other law; minus

(I) for each township in the county, the lesser of:

(i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(4) filed after December 31, 1982; or

(ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; minus

(K) for each county, the sum of:

(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 (repealed) that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b); and

(ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995; **minus**

(L) the amount of property taxes imposed by a county library board under IC 20-14-7-6; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes

- 1 stated in the abstract are to be paid; plus
- 2 (3) the amounts, if any, of county adjusted gross income taxes that
- 3 were applied by the taxing units in the county as property tax
- 4 replacement credits to reduce the individual levies of the taxing
- 5 units for the assessment year, as provided in IC 6-3.5-1.1; plus
- 6 (4) the amounts, if any, by which the maximum permissible ad
- 7 valorem property tax levies of the taxing units of the county were
- 8 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated
- 9 assessment year; plus
- 10 (5) the difference between:
- 11 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;
- 12 minus
- 13 (B) the amount the civil taxing units' levies were increased
- 14 because of the reduction in the civil taxing units' base year
- 15 certified shares under IC 6-1.1-18.5-3(e).
- 16 (h) "December settlement sheet" means the certificate of settlement
- 17 filed by the county auditor with the auditor of state, as required under
- 18 IC 6-1.1-27-3.
- 19 (i) "Tax duplicate" means the roll of property taxes which each
- 20 county auditor is required to prepare on or before March 1 of each year
- 21 under IC 6-1.1-22-3.
- 22 (j) "Eligible property tax replacement amount" is equal to the sum
- 23 of the following:
- 24 (1) Sixty percent (60%) of the total county tax levy imposed by
- 25 each school corporation in a county for its general fund for a
- 26 stated assessment year.
- 27 (2) Twenty percent (20%) of the total county tax levy (less sixty
- 28 percent (60%) of the levy for the general fund of a school
- 29 corporation that is part of the total county tax levy) imposed in a
- 30 county on real property for a stated assessment year.
- 31 (3) Twenty percent (20%) of the total county tax levy (less sixty
- 32 percent (60%) of the levy for the general fund of a school
- 33 corporation that is part of the total county tax levy) imposed in a
- 34 county on tangible personal property, excluding business personal
- 35 property, for an assessment year.
- 36 (k) "Business personal property" means tangible personal property
- 37 (other than real property) that is being:
- 38 (1) held for sale in the ordinary course of a trade or business; or

1 (2) held, used, or consumed in connection with the production of
2 income.

3 (l) "Taxpayer's property tax replacement credit amount" means the
4 sum of the following:

5 (1) Sixty percent (60%) of a taxpayer's tax liability in a calendar
6 year for taxes imposed by a school corporation for its general fund
7 for a stated assessment year.

8 (2) Twenty percent (20%) of a taxpayer's tax liability for a stated
9 assessment year for a total county tax levy (less sixty percent
10 (60%) of the levy for the general fund of a school corporation that
11 is part of the total county tax levy) on real property.

12 (3) Twenty percent (20%) of a taxpayer's tax liability for a stated
13 assessment year for a total county tax levy (less sixty percent
14 (60%) of the levy for the general fund of a school corporation that
15 is part of the total county tax levy) on tangible personal property
16 other than business personal property.

17 (m) "Tax liability" means tax liability as described in section 5 of
18 this chapter.

19 (n) "General school operating levy" means the ad valorem property
20 tax levy of a school corporation in a county for the school corporation's
21 general fund.

22 SECTION 2. IC 6-1.1-21-5 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 5. (a) Each year
24 the taxpayers of each county shall receive a credit for property tax
25 replacement in the amount of each taxpayer's property tax replacement
26 credit amount for taxes which:

27 (1) under IC 6-1.1-22-9 are due and payable in May and
28 November of that year; or

29 (2) under IC 6-1.1-22-9.5 are due in installments established by
30 the department of local government finance for that year.

31 The credit shall be applied to each installment of taxes. The dollar
32 amount of the credit for each taxpayer shall be determined by the
33 county auditor, based on data furnished by the department of local
34 government finance.

35 (b) The tax liability of a taxpayer for the purpose of computing the
36 credit for a particular year shall be based upon the taxpayer's tax
37 liability as is evidenced by the tax duplicate for the taxes payable in that
38 year, plus the amount by which the tax payable by the taxpayer had

1 been reduced due to the application of county adjusted gross income tax
 2 revenues to the extent the county adjusted gross income tax revenues
 3 were included in the determination of the total county tax levy for that
 4 year, as provided in sections 2(g) and 3 of this chapter, adjusted,
 5 however, for any change in assessed valuation which may have been
 6 made pursuant to a post-abstract adjustment if the change is set forth on
 7 the tax statement or on a corrected tax statement stating the taxpayer's
 8 tax liability, as prepared by the county treasurer in accordance with
 9 IC 6-1.1-22-8(a). However, except when using the term under section
 10 2(l)(1) of this chapter, the tax liability of a taxpayer does not include
 11 the amount of any property tax owed by the taxpayer that is attributable
 12 to that part of any property tax levy subtracted under section 2(g)(1)(B),
 13 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E), 2(g)(1)(F), 2(g)(1)(G), 2(g)(1)(H),
 14 2(g)(1)(I), 2(g)(1)(J), ~~or~~ 2(g)(1)(K), **or 2(g)(1)(L)** of this chapter in
 15 computing the total county tax levy.

16 (c) The credit for taxes payable in a particular year with respect to
 17 mobile homes which are assessed under IC 6-1.1-7 is equivalent to the
 18 taxpayer's property tax replacement credit amount for the taxes payable
 19 with respect to the assessments plus the adjustments stated in this
 20 section.

21 (d) Each taxpayer in a taxing district that contains all or part of an
 22 economic development district that meets the requirements of section
 23 5.5 of this chapter is entitled to an additional credit for property tax
 24 replacement. This credit is equal to the product of:

25 (1) the STEP TWO quotient determined under section 4(a)(3) of
 26 this chapter for the taxing district; multiplied by

27 (2) the taxpayer's taxes levied in the taxing district that are
 28 allocated to a special fund under IC 6-1.1-39-5."

29 Page 2, after line 28, begin a new paragraph and insert:

30 "SECTION 4. [EFFECTIVE JANUARY 1, 2006] **IC 6-1.1-21-2**

1 **and IC 6-1.1-21-5, both as amended by this act, apply to property**
2 **taxes first due and payable after December 31, 2005."**

3 Renumber all SECTIONS consecutively.
 (Reference is to HB 1701 as introduced.)

and when so amended that said bill do pass.

Representative Hinkle